



California Tourism at the Crossroad

By Jim Abrams and Bob Roberts
 CTTC Vice Chairs



Jim Abrams



Bob Roberts

Jim Abrams and Bob Roberts have served as CTTC Vice Chairs since 1998. As they prepare to finish out their responsibilities this year, they reflect on CTTC accomplishments and provide perspective on the tourism industry's future challenges.

California voters recently made one of the biggest decisions to face this state in many decades – namely, they decided to recall Governor Davis and replace him with Governor-elect Schwarzenegger as the new head of California government.

Interestingly, everyone in the tourism industry has an *equally* important decision to make – because California's tourism promotional efforts stand at a proverbial crossroad. While the “zeroing-out” of all tourism funding in the 2003-2004 budget was a significant blow, both financially and philosophically, it was not lethal. Rather, it presents all of us who depend on tourism with some very important decisions to make – *and depending on which fork in the road we decide to take*, these decisions could be very positive for the future of California's tourism industry.

One of the roads open to us is the one advocated by some members of our industry, who quite rightly, feel that state government has made a very foolish mistake by not appropriating any money to promote California as a

tourism destination. In fact, California is now the *only* state in the nation without any public funding. These people feel, again quite rightly, that the Legislature has slighted one of the most important revenue generators in our economy.

Unfortunately, some of these people believe that the only logical thing to do is to “take the ball and go home.” That is, they say “since the state isn't putting any money into tourism promotion, the industry should stop the self-assessment – after all, fair is fair!” In fact, the drafters of the California Tourism Marketing Act (CTMA) contemplated that there might be a day when the Legislature failed to appropriate the annual \$7.35 million to fund tourism. And to that end, the CTMA states that in such a case, the industry can terminate the assessment process if it wishes to do so.

While taking that particular fork in the road might have a lot of short-term emotional appeal, *it misses two critically important facts*. First, the approximately \$6.4 million that the industry is assessing itself this fiscal year is now the *only* funding available to keep our tourism promotion activities in place. Without that money, California would once again be in the same position it found itself in 1975 during Jerry Brown's administration, when the Office of Tourism actually shut down and all inquiries from prospective travelers were stamped “OFFICE CLOSED – RETURN TO SENDER.”

Needless to say, the impact of de-funding the tourism program was devastating for the California economy – over the years, millions

were lost in tourism spending, jobs and tax revenues. In fact, until the early 1990's, California's tourism industry was in disarray, losing market share, and without a plan. It was clear that California lacked the money and the industry support to compete with destinations that had much larger budgets. Although state funding in 1992 reached \$7.2 million, it was apparent to a large number of tourism industry leaders that to bring California up to a competitive spending level, the industry would need to contribute to the marketing efforts as well. So the industry began to come together and legislators from every corner of the state were given the message that “tourism is vital and the state needs a strong program.” After two years of lobbying and education, SB 256 moved through the Legislature with huge margins and was signed into law in 1995. This provided for an industry-wide vote in 1997, which passed with strong support and gave the California Travel and Tourism Commission (CTTC) legal standing. Finally, the industry had come together and would start controlling its own destiny!

By 1998, the CTTC had begun executing on the new industry-led program. A Marketing Committee was formed to reach out to all interested players and guide California's promotional programs. The Commission itself would chart a bold, imaginative and strategic course. CTTC assessment funds allowed California to double its budget from approximately \$7 million to \$14 million. Among other things,

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By Caroline Beteta
Executive Director,
California Travel and
Tourism Commission

Thanks to Industry Support of the CTTC... The Marketing of California Continues

The overall economic outlook and California business climate for 2003 has no doubt been a struggle for many in the travel and tourism industry. Symptomatic of this period has been a state budget crisis, a historic recall election and the elimination of the \$7.3 million general fund portion of California Tourism's marketing budget for the 2003-2004 fiscal year. It is safe to say that there were *no winners* in this year's budget outcome.

However, the travel industry has vowed to aggressively continue the pursuit of restoring public funding for California's tourism marketing efforts. Time and time again, tourism investment has yielded strong returns on spending, taxes and jobs – and as an industry, we will continue to reinforce this message to Governor-elect Schwarzenegger and the Legislature when they return to session in January 2004.

In the meantime, the marketing of California as a premier travel destination does indeed continue – thanks to the industry's investment in the California Travel and Tourism Commission (CTTC). Simply put, were it not for that investment, California would be the only state in the nation without an aggressive state destination marketing effort.

Following are highlights of CTTC-funded programs currently underway to ensure California tourism's marketing share-of-voice continues to be heard by prospective travelers. Keep in mind that without CTTC funding, these programs would have ceased to exist at all after the elimination of public funds in this year's state budget.

Advertising/Cooperative Marketing Activities

In the 2003-2004 fiscal year, all cooperative marketing activities established by the CTTC have continued – and many are now providing new promotional elements and opportunities to get involved. For example, a new winter cooperative campaign is being launched with the November 2003 national editions of *National Geographic Traveler* and *Frommer's Budget Travel* magazines, reaching over 1.2 million consumers. The eight-page feature that positions California as the premier winter vacation destination will also be distributed at trade shows and online. As well, already in the works is a special spring 2004 follow-up insert with a national run. California travel industry partners can get involved in this campaign for free by providing travel offers via the online "Offer Wizard" component.

This new CTTC cooperative print campaign will be supported by an approximately \$1.2 million "California, Find Yourself Here" advertising campaign.

Who's Who with California Tourism

Please find below a list of managers and key contacts for California Tourism's marketing and promotional programs.

Caroline Beteta
CTTC Executive Director and Deputy Secretary, California Division of Tourism
Oversees California Tourism's marketing, advertising, promotional, communications and administrative programs.
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Marketing/Advertising/Cooperative Programs

Susan Wilcox
CTTC Chief Deputy Director
Directs California Tourism's cooperative programs, including Shop California, Dine California, Culture California, and manages a variety of marketing and advertising programs.
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Terry Selk
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Serves as editor of California Tourism's key visitor publications, and oversees California Tourism's Web site.
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Manages California Tourism's research program, including advertising and fulfillment effectiveness reports, edits Fast Facts, and assists with assessment operations.
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Communications/Industry Relations Programs

Jennifer Jasper
CTTC Deputy Director
Serves as the lead media spokesperson and rural tourism liaison, and oversees the communications program that includes industry publications and seven regional marketing representatives.
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Lisa Kruttschnitt
CTTC Public Affairs Director
Serves as editor for Insights, the CTTC Newsletter, and the Year in Review, and creates and organizes California Tourism's presentations and speeches.
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Leona Reed
CTTC Media Relations Coordinator
Serves as contact for general media requests, arranges press trips, fulfills photo requests, monitors media coverage for California, and edits What's New in California.
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California Welcome Centers

Janice Simoni
California Welcome Centers Manager
Oversees California Tourism's 11 statewide California Welcome Centers.
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Assessment Program

For questions regarding the CTTC assessment program, please call
(916) 322-1266.

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Best Broadcast Television goes to California Tourism!

California Tourism was recently honored with a Travel Industry Association of America (TIA) Mercury award in the *Best Broadcast Television* category for the "Doug" TV spot. The ceremony took place at the National Council of State Tourism Directors (NCSTD) "Evening of the Stars" dinner during the 20th annual Educational Seminar for Tourism Organizations (ESTO) in Asheville, North Carolina. The Mercury awards were created in 1985 by TIA to recognize state and territory tourism offices for excellence and creative accomplishment in travel marketing and promotion. Entries ranged from best print and broadcast advertising to niche marketing. Ten state tourism offices were honored with eleven separate Mercury awards.



Accepting the Mercury award for Best Broadcast Television are (left to right): Susan Wilcox, Chief Deputy Director, CTTC; Lynn Minges, Executive Director, North Carolina Tourism and NCSTD Conference Host; Caroline Beteta, Executive Director, CTTC; and John Marks, President and CEO, San Francisco Convention and Visitors Bureau, CTTC Commissioner and TIA National Chair.

The lighthearted, 30-second TV spot features the slightly offbeat vacationer, Doug, who leads viewers on a fun-loving travel experience to the breathtaking landscapes, famous sights and unique experiences that only California can provide! ★



The summer travel season proved to be a record breaker for activity on California Tourism's Web site (www.visitcalifornia.com). June, July and August saw a dramatic jump in the number of visitor sessions* to over one million total, almost doubling the number from the same months last year. During the same period, the site experienced impressive numbers for unique visitors** with monthly averages of nearly 110,000. July alone had the highest number of unique visitors ever in the history of California Tourism's Web site with 134,557.

Following are highlights for the period including June through August 2003:

* **California's Best:** The online contest for *The Best of California* television series drew nearly 50,000 ad views in July. This represented 167 percent more views than the average ad on the site!

* **Merry Monday:** Monday is typically the busiest day of the week on www.visitcalifornia.com. The average monthly total of successful hits*** on Mondays over the last three months was 211,156.

* **Tick-tock:** In June 2003, the average visit length to California Tourism's Web site was nearly 10 minutes; and July's 2003 average visit length of 9 minutes, 42 seconds was a full minute longer than in July 2002. Keep clocking away!

* **A visitor session** is the number of distinct people who visit the site. This is estimated by grouping together all hits from one Internet provider address, with no more than 30 minutes between each hit, into one user session.

** **Unique visitors** are counted by using the visitor's IP address, domain name or cookie.

*** When a Web page is visited, a **hit** represents the number of individual requests a server receives to render the page viewable. Each image on a page counts as one request, and each page may contain numerous images. A visit to a Web page with three images will count as four hits – one for the download of the page file, and three hits for the images.



Strut Your Stuff!

Share your good works at the California Tourism Marketing Excellence Awards Ceremony

The annual California Tourism Marketing Excellence Awards will once again be an exciting component at the 2004 California Conference on Tourism, scheduled for March 22-24 in Monterey. The 2004 awards will include a wide range of categories: best print, radio, outdoor and television advertising, Web site, direct mail, cooperative marketing, public relations/publicity, niche marketing, and more!

If you have a television ad you're particularly proud of, a clever direct mail campaign, or a cooperative marketing program that garnered impressive results, get ready to submit it early next year. Official entry brochures will be mailed out in January 2004.

Once submissions are received, a panel of judges will narrow entries down to semi-finalists in each category. From there, attendees of

the California Conference on Tourism will have the chance to vote amongst the display of semi-finalists. Winners will be announced and presented with awards during the final dinner of the conference.

So, start thinking about your entries now! For more information, contact Sue Coyle, Tourism Awards Coordinator, at (916) 319-5422 or scoyle@cttc1.com. ★

September 2003 Commission Meeting Conference Call

The California Travel and Tourism Commission (CTTC) met via a conference call on September 26 to discuss a number of key program issues in advance of the October 30 Commission meeting.* Following are highlights of this conference call:

- **Update on California Tourism's Transition to a New Agency:** As part of the 2003-2004 California state budget that eliminated public funds for tourism marketing, the Technology, Trade and Commerce Agency was also eliminated, with the Division of Tourism scheduled to move to the Business, Transportation and Housing Agency (BT&H) on January 1, 2004. Under this legislation, the Secretary of BT&H will become the new Chair of the CTTC.
- **New Legislation to Facilitate Transition:** The CTTC Executive Committee is currently working on legislation to facilitate the transition of various marketing activities from the Division of Tourism to the CTTC to allow programs to run more efficiently. One example mentioned was the California Welcome Center program.
- **Referendum Update:** The CTTC Nominating Committee has met three times to gather a wide slate of possible candidates to serve as new CTTC Commissioners. (Please see box below.)
- **Continuation of Commission**
 - **CTTC Resolution:** The Executive Committee presented the following resolution that the full Commission approved in an effort to move forward with the marketing and promotion of California tourism without current state funding.

CTTC Resolution

(adopted on September 26)

- Whereas, the State of California continues to recognize the vital role that travel and tourism plays in the economic vitality of the State; and
- Whereas, fiscal and budgetary exigencies have caused the State to suspend temporarily all of its funding related to the promotion of travel and tourism; and
- Whereas, it is vital to the health of both the travel and tourism industry and the State of California, generally that there be no lapse in aggressive tourism promotion and marketing.
- Now, therefore, be it resolved that the Executive Committee of the California Travel and Tourism Commission unanimously recommends that the CTTC continues to carry out all functions necessary promote travel and tourism to and through the State of California as aggressively as possible.
- **Budget Update:** For the 2003-2004 fiscal year, California Tourism's budget stands at approximately \$7.8 million. This total is made up of \$6.2 million in projected assessment revenues and \$1.6 million in carryover funds. With these funds, the CTTC is currently executing the marketing plan that was passed in June 2003 by the Commission to provision for the possibility that the Division of Tourism would receive no marketing funds for this fiscal year. While the \$7 million plus marketing plan preserves most components of the program and retains an inclusive focus with cooperative programs, the elimination of state funding resulted in significant reductions to the 2004 advertising campaign. Beyond advertising, the new marketing plan retains an inclusive focus with unique programs designed to maintain California's share of voice amongst competitive destinations with much larger budgets.

• Advertising/ *The Best of California*

TV: The Advertising/Co-op Committee and *The Best of California* (TBOC) TV Committee are in the process of preparing a full analysis of the 2003 advertising campaign and TBOC series to present at the October meetings of the Marketing Committee and Commission. Data will include household viewership ratings, Web site numbers and return on investment figures. The analysis will be used to review the effectiveness of the advertising and TBOC series and determine which marketing activities will continue within the 2003-2004 plan.

• Other Marketing /Co-op Activities:

– Publications and Fulfillment

Program: California Tourism is going out to bid for a new fulfillment contractor, looking to provide the same high quality service, but at a significantly reduced cost.

– **Web Site:** California Tourism staff is in the process of transitioning the Web site from state to CTTC operation. Once complete, a number of enhancements will be made to the www.visitcalifornia.com site.

• New Appointed Commissioners:

In August, Governor Davis made three new appointments to the CTTC: Chuck Hansen, Vice President of Community Relations, Viejas Enterprises (San Diego region); James "Walkie" Ray, Managing Partner of Sanderson-J. Ray Development (Orange County region); and Jack Gribbon, California Political Director, Hotel Employees and Restaurant Employees International Association (San Francisco Bay Area region).

• Upcoming Marketing and

Commission Meetings: The next meetings took place in North Lake Tahoe on the following dates: Marketing Committee and Assessed Business Reception on October 29; CTTC Executive Committee and full Commission on October 30, 2003.*

** Due to the print deadline of this issue, a summary of the October 29 and 30 meetings will be included in the winter 2003 issue of Insights.*

Referendum for New Commissioners

Assessed businesses will soon have an opportunity to vote for a new slate of candidates to serve on the California Travel and Tourism Commission (CTTC). Nominations are being solicited now, and businesses must establish assessment paid status to be eligible to vote in the referendum. Ballots will be mailed to qualified voters in December 2003. The referendum is for the election of Commissioners only, and not to decide if the Tourism Marketing Assessment Program should continue. For more information, contact the CTTC at (916) 444-4429.

Co-Op Corner

Assessment Revenues

As of mid-September 2003, the 2002-2003 Assessment Program had generated revenues of \$6.31 million. Distribution by industry segment remains consistent with prior years, with approximately 66 percent attributable to accommodations, 14 percent to restaurants and retail, 11 percent to transportation and travel services, and 9 percent to attractions and recreation.

CTTC Marketing Update/Educational Presentations

Since the last *Insights* issue, CTTC staff delivered educational presentations at the following events and conferences: Anaheim/Orange County Convention and Visitors Bureau Meeting, Hospitality Sales and Marketing Association International (HSMIA) Sunnyvale Meeting, San Diego Convention and Visitors Bureau Board Meeting, Sacramento Director of Sales Meeting, Western Lodging Show in Ontario, SKAL International Los Angeles Luncheon, Lake Tahoe Assessed Business Reception, and to a variety of convention and visitors bureaus and their members across the state. Presentation topics included: the economic impact of tourism; an update on the state budget outcome; a highlight of 2003-2004 marketing programs, with emphasis on the advertising campaign and *The Best of California* television series; urban and rural tourism promotion; and cooperative opportunities to partner with California Tourism.

CTTC educational presentations, in partnership with tourism-related associations and convention and visitors bureaus across the state, are conducted on an ongoing basis. To find out how to secure a presentation for your area or organization, or to receive more information about the CTTC's marketing programs, please contact Lisa Kruttschnitt at (415) 332-4450 or llkruttschnitt@cttc1.com. ★



California Pushes Winter Travel with New Cooperative Campaign

California Tourism is working hard to promote visitor activities during the winter months. An eight-page insert runs nationally in the November 2003 issues of *National Geographic Traveler* and *Frommer's Budget Travel* magazines, reaching over 1.2 million consumers. The insert will also be distributed at trade shows and travel industry events, and will be available online. While the traditional winter activities of skiing and snowboarding are highlighted, other year-round activities that are also featured include shopping, dining and golfing. Travel industry partners are encouraged to get involved in this winter campaign by taking advantage of the free online "Offer Wizard" that will highlight special travel values on the www.bestofcaliforniatv.com Web site. To participate, go to www.mering.com, click on "client access," enter "calcoop" as the user name and "mering" as the password, and download the form. For more information, contact Susan Wilcox at (916) 444-0430 or swilcox@cttc1.com. ★

California's Outdoor Recreation Program Gains Exposure with National Media

California Tourism's Outdoor Recreation program will soon benefit from a new relationship with a vast media network that includes more than 3,000 broadcasters and newspapers across the nation. Listings for participants and outdoor recreation activities on www.californiarecreation.com will be linked to the Web sites of Clean Channel, Belo, World Now, Meredith and Gannet, delivering a total of three to four million page views per month. For details, contact Terry Selk at (916) 319-5411 or tseik@cttc1.com. ★

California Golf Comes Alive in New Television Series

The Best of California golf television series, produced in cooperation with In The Loop Golf, the CTTC's golf marketing contractor, promises to raise the awareness of California as a premiere golf destination worldwide. The 13-episode series will feature several known and lesser-known golf areas throughout the state, along with specific golf facilities, hotels, attractions and other non-golfer information. Packaging opportunities will be available through the www.bestofcaliforniatv.com and www.californiagolf.com Web sites, as well as from golf tour operators in a range of domestic and international markets. Beginning in early 2004, California's exclusive golf TV series will air over a three-year period on: The Golf Channel, 10 international networks, and on United Airlines' entertainment system worldwide. Additional advertising opportunities are still available for the *California 2004 Official Golf Guide* through December 15 and on the official California golf Web site, www.californiagolf.com, on an ongoing basis. Contact Shaw Kobre at (707) 569-8481 or shaw@InTheLoopGolf.com for more details. ★



The Best of California (TBOC) Television Series Expands Reach

This past spring, 13 new western U.S. and Canadian stations were added to four major-market California stations to expand syndication of TBOC travel shows into key feeder markets, such as Las Vegas, Salt Lake City, Tucson, Albuquerque and Vancouver. The 13-show, 2003 TBOC series has the potential to reach 15 million TV households through September 2003.

As well, traffic on the sister www.bestofcaliforniatv.com Web site is expected to reach 70,000 visitor sessions and 300,000 impressions per month in fall 2003. For more information, contact Susan Wilcox at (916) 444-0430 or swilcox@cttc1.com. ★

California is the Place to Shop



Retailers continue to promote California as the number one shopping destination. Recent efforts include participating in the above winter cooperative advertising insert with the listing "Shopping is a year-round indulgence." Last year, members of the Shop California retail organization reached: over one million consumers via the cooperative print campaign, over 15 million households in the western U.S. through *The Best of California* TV series, and over 300 travel trade specialists by way of trade show participation. Shopping centers, districts and associations are invited to take advantage of such opportunities by joining Shop California or by obtaining a free listing at www.shopcalifornia.org. For details, contact Susan Wilcox at (916) 444-0430 or swilcox@cttc1.com. ★

CTTC for FREE!

California Tourism is working hard to provide **free marketing opportunities** to our valued assessed business partners with a variety of programs including: the winter 2003-2004 print and online cooperative campaign, Shop California, Culture California, California Meetings and Incentive Program, the United Airlines Employee Travel Web site, and many more! To participate or obtain more details, contact Susan Wilcox at (916) 444-0430 or swilcox@cttc1.com. ★

California Tourism at the Crossroad

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this new funding led to a doubling of the advertising campaign funds. Impressive results included the 2001 national advertising campaign that generated an additional 3.6 million visitors, \$2.6 billion in new travel and tourism spending (**ROI of \$196 to \$1**), and \$91.5 million in new tax revenues (**ROI of \$6.88 to \$1**). CTTC funding also allowed California to open three new overseas public relations offices and strengthen the international marketing efforts of five overseas trade offices. These assessed business funds also were the catalyst for the revolutionary *Adventures in Wild California* IMAX film – the first of its kind from a state tourism office. CTTC seed funding, combined with industry partnership, helped mobilize the IMAX film into a \$30 million marketing endeavor that would eventually play in 65 theaters on five continents, generating 10 billion total worldwide gross impressions on California. Talk about the power of partnership!

A stronger advertising campaign and innovative programs like these brought to an end the decade-long decline of domestic market share. In fact, since the travel industry began funding the

CTTC and its marketing programs, **California’s share of the domestic travel market grew from 9.7 percent to 11.5 percent.** This increase resulted in an **additional \$8.7 billion in visitor spending infused into California’s economy, creating 120,883 new jobs, and generating an additional \$539 million in direct tax revenues.**

The bottom line is that we’ve come a long way from those dark days when potential visitors were getting their mail back with “return to sender” stamps!

So, now we turn to what the *future* of tourism will look like for California. The fact of the matter is that the California Travel and Tourism Commission – which we, the tourism industry, and not government, control – has now completely reorganized its staffing and activities without public funding and is tackling almost as much with far fewer people and resources. Beyond advertising reductions, the new 2003-2004 marketing plan retains an inclusive focus, with unique travel trade, publications, Web site, media relations, research, industry cooperative, and communications programs – all designed to maintain California’s share of voice amongst

competitive destinations with much larger budgets. Additionally, some money carried over from prior fiscal years will allow us to continue at least part of our marketing campaign for this next year. But, keep in mind that without CTTC funding, we would be on a dead-end road with no voice.

While never giving up on the industry’s aggressive lobbying efforts for state funding, it is equally important to recognize that the current situation provides some significant opportunities for our industry. Instead of considering not to assess ourselves to fund tourism promotion, we should determine *how* the California Tourism Marketing Act can be restructured so the industry can better insulate itself from the annual political budget battles that will certainly exist as long as California’s overall budget is in trouble. In this manner, the industry can become more independent from state government, while at the same time, still maintain the important ties to government that allow the entire assessment process and the CTTC to operate effectively. These are some of the issues that CTTC board members are currently exploring collaboratively with many travel industry leaders and trade associations.

Granted, each and every one of us in the tourism industry has a perfect right to be very angry with what our elected leaders have done to our businesses, our employees, and equally important, to all of the Californians who depend on the tax revenues that tourism produces. However, the wrong road to take at this point is to give up on all that we have achieved in recent years – a move that would inevitably result in a fatal blow to our tourism industry. It took almost a decade to create the CTTC, and it has been phenomenally successful. If we end it now, it will quite probably be *impossible* to duplicate it in the future.

The crossroad where we stand now offers some golden opportunities – and it is essential that our industry leverage the recent successes and continue to work together for the betterment of the entire California travel industry! ★

Jim Abrams
Executive Vice President
California Hotel and
Lodging Association

Bob Roberts
Executive Director
California Ski Industry Association

California Tourism’s
Travel Trade
Development Program
2003-2004 Proposed
Activity Schedule

The following programs represent upcoming opportunities available to the California travel industry to participate within an official California Tourism platform. Participation options include: exhibiting at a trade show in the California booth or section; attending a VIP California event to educate tour operators or travel agents; attending a sales mission with targeted travel trade events; and providing brochures for distribution at the California Tourism booth or table. This proposed schedule is subject to change based on industry support and staff resources. For more information on participating in one of these programs, please contact Terry Selk at (916) 319-5411 or tselk@cttc1.com.

PROGRAM	DATES
WTM London (UK and European trade and media)	November 8-15, 2003 (<i>completed</i> – booth and tour operator film premiere)
International Golf Tour Operator Association Dominican Republic (tour operators and media)	December 8-11, 2003 \$500 (shared booth) \$200 (brochure distribution)
California, Las Vegas, Arizona Sales Mission Mexico City, Guadalajara (tour operators and travel agents)	January 19-24, 2004 \$2,400
CONFEX London (UK and European meeting and incentive planners)	February 24-26, 2004 \$2,500 (shared booth) \$350 (brochure distribution)
ITB Berlin (German and European travel trade and media)	March 12-16, 2004 \$2,750 (shared booth) \$350-\$500 (brochure distribution)
ARLAG Guadalajara (Mexico travel agents)	April/May 2004 \$1,000
IMEX Frankfurt (European meeting and incentive planners)	May 12-14, 2004 \$2,250

California Events Among North America's "Top 100" for 2004!



Two California events – Gold Rush Days in Sacramento and Rocktoberfest in Palm Springs – were selected by the American Bus Association (ABA) as *Top 100 Events in North America* for 2004.

The excitement of the California gold rush will be brought to life during **Sacramento's 2004 Gold Rush Days**

festival to be held over Labor Day weekend, September 3-6. As visitors stroll through the dirt streets and boardwalks of Old Sacramento State Historic Park, they will encounter horse-drawn carriages and "living history" characters in period costumes. The event will also include street dramas, period-musicians and dancers, a tent saloon, a miner's encampment, wagon and pony rides, and interactive gold panning exhibits.

Roctoberfest 2004, expected to be one of the largest events in Palm Springs' history, will be a tribute to rock 'n roll music, featuring performers such as Fabian, the Drifters, Shirelles, Little Anthony and the Imperials. This free outdoor festival runs from September 24-26. Along with being one of the largest gatherings of 1950's and 1960's groups in decades, the event will offer a classic car show, memorabilia booths, a kids zone, and an area where performers will sign autographs for fans.

The ABA's "Top 100" designations are granted by an elite tourism industry selection committee that chooses from hundreds of U.S. and Canadian festivals, fairs, exhibitions and events. Among a variety of criteria, designees are chosen by the ABA based upon broad appeal, accessibility and receptivity to large groups arriving by motorcoach. Winners were featured in the September 2003 issue of *Destinations* magazine and also listed online at www.buses.org. ★

The Marketing of California Continues

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The effort will begin in early 2004 and will be produced by the CTTC's advertising agency, Mering & Associates.

In addition, California Tourism's advertising and cooperative magazine campaigns have been synergized by the very successful *The Best of California* (TBOC) television series, presented by *Sunset* magazine and produced by K2 Communications. This CTTC-funded program has a host of travel industry sponsors and is now in its second year of syndication on primarily network-affiliated stations throughout California and the western U.S. The 2003 series, running from spring to fall 2003, aired on 19 stations with a reach of 15 million households. As well, Telemundo TV is airing the series on all of their major California outlets this fall. As of September 2003, TBOC Web site had already received more than 140,000 visitor sessions and 75,000 video streams.

Other cooperative marketing programs that continue to expand the California brand include: Shop California, Dine California, Golf California, California Outdoor Recreation, California Countryside/Rural, Culture California and California Snow.

Publications/Fulfillment/ Web Site

Providing a strong call-to-action for advertising and cooperative marketing efforts are CTTC's visitor publications

and www.visitcalifornia.com Web site. CTTC staff is hard at work with *Sunset* magazine to produce the *California 2004 Official State Visitor's Guide and Travel Planner* (CVG), due for distribution by early January 2004. Along with distribution of over 500,000 CVGs, other publications include the *California Driving Tours* guide and the *California Snow* magazine. Complementing these publications is California Tourism's comprehensive Web site, www.visitcalifornia.com, which received approximately 374,000 visitor sessions from May through July 2003 (an increase of 86% over 2002 levels). Other CTTC sister Web sites include: www.shopcalifornia.org, www.dinecalifornia.org, www.culturecalifornia.com, www.wildvacationsca.com, www.bestofcaliforniatv.com, www.wildca.com, www.visitcwc.com, www.californiagolf.com, www.california4meetings.com, www.californiarecreation.com

Travel Trade Development

The travel trade development program continues under new direction and funding from the CTTC. Program components include the overseas California travel trade offices in the UK, Germany, Japan, Australia and Brazil. The CTTC is also organizing a California industry-led presence at major domestic and international trade shows. Upcoming events include: World Travel Market in

London, with a California-themed booth and VIP film premiere for tour operators; the California Sales Mission to Mexico, scheduled for late January 2004; and a strong California presence at 2004 Pow Wow in Los Angeles next May, including a significant CTTC sponsorship and exclusive post-show familiarization tours.

Publicity and Media Relations

Generating positive publicity and more media exposure for California as a travel destination continues to be a top priority for the CTTC. With the new hire of Edelman, a global public relations firm, the CTTC, along with travel industry partners, has created an editorial calendar for the year and increased the number of media releases generated each month for California. Check out the fall releases on the www.visitcalifornia.com Web site. California Tourism's three international public relations offices continue promotion in Japan, the UK and Germany. Additionally, the CTTC is bringing back the highly-popular New York Media Reception and Marketplace, scheduled for February 2004, with over 100 key journalists expected to attend.

Travel and Tourism Research

The responsibilities of gathering important statistical data on traveler activity continues with CTTC seed funding. Four new research reports are now available through California Tourism: *2002 Market Profile of Overseas Visitors to California*; *Domestic*

Travel Report Year End 2002; *U.S. Domestic Air Arrivals to California Destinations*; and new this year, *The Economic Significance of the California Travel Industry*.

Overall Promotion of California

By creating efficiencies through new procedures and reorganization, the CTTC has been able to carry on with the above marketing activities and the promotion of California as a premier travel destination, despite the recent budget reduction. In doing so, we have utilized both traditional promotional activities – as well as some uniquely creative ones – to continue to keep the California destination top-of-mind to prospective travelers. Realizing the CTTC's catalyst role in providing incremental marketing opportunities not available to travel industry partners on an individual basis, we will continue to serve as a key resource for: visitor statistics, industry trends, media exposure, consumer and travel trade information, legislative education, and overall marketing and promotional programs.

Again, the continued industry investment in the CTTC makes all these activities possible. Together, we must charge ahead with the promotion of California, while also continuing to rally and educate our public and elected leaders about the strong economic engine that tourism provides to our Golden State! ★



The latest news from California Tourism's travel trade and public relations representatives in Australia, Brazil, Germany, Japan and the United Kingdom.

Australia

Representative Leeanne Dyer reports that the Australian dollar has continued "to sit" between \$.64 and \$.66 for the past three months – a promising sign for the travel industry and consumers wishing to travel to the United States. Australia has continued to show its resilience, with both the retail and wholesale travel sectors issuing positive profit statements for the 2002-2003 fiscal year.

Other positive indicators include Qantas Airlines returning to 33 flights per week to Los Angeles, and United Airlines continuing to offer 14 daily flights per week to both Los Angeles and San Francisco.

Brazil

Representative Newton Vieira maintains that since 2000, California has increased its market share by 10 percent amongst U.S. destinations, bringing California's total domestic share of the Brazilian travel market to 30 percent. Currently there are more than one million travelers with visas that are valid for the next two years, which should help overcome recent difficulties Brazilians experienced in traveling to the U.S.

Germany, Switzerland and Austria

Representative Martin Walter brings news that the current gradual recovery in German outbound travel is reflected by the latest rise in travel agency sales figures. German holiday bookings were up in June with a 0.4 percent increase, the first time this year there has been a year-on-year rise. This is even more remarkable since all federal school holidays started later this year (July and August), which would not necessarily lead to a positive trend. Also, Lufthansa posted a EUR 65

million operating profit in the second quarter after a loss in the previous quarter. The airline continues to expect a loss for the full year, but is very optimistic for the year 2004.

Public relations representative Gaby Wehle reports 631 inquiries from June to August 2003 from daily newspapers, magazines, television and radio media. A couple of individual press trips were also coordinated and organized by Kleber PR, with coverage in *Frankfurter Rundschau* and *Petra* magazines and on the VOX-Wolkenlos TV show. Publicity value for the three-month period totaled \$4.5 million.

Japan

Representative Ko Ueno states that July overseas travel hasn't yet recovered from the effects of SARS. Travel numbers hit bottom in May, and have been slowly recovering ever since. The good news is that major Japanese tour operators say bookings for October and November 2003 to the U.S. mainland have already recovered to the level of last year's bookings. The tour operators' main focus are seniors (age 50 and up), honeymooners, and the overseas weddings and family vacation markets. Currently, the seniors' share of total overseas travel is over 30 percent and still growing. This travel segment has time and disposable money to travel.

Public relations representative Yoshihiro Fujii confirms that media are again featuring overseas destinations, and that coverage will begin to appear in newspapers and magazines in October. Travel writers still maintain a very cautious position though, due to concern over a potential reoccurrence of SARS. In order to compete with aggressive recovery campaigns initiated by Hong Kong and other Asian destinations,

media is primarily covering the United States as one entity. From June through August, Youth Planning Center, Inc. made 143 media contacts and generated more than \$4 million of coverage for California Tourism.

United Kingdom

According to representative Andy Woodward, Virgin Atlantic has posted pre-tax profits of over £15 million for the year ending April 2003. Virgin has also entered a direct battle for premium passengers with British Airways by introducing flat bed seats in its Upper Class. Virgin's executive director, Richard Branson, expects to benefit from gaining over £100 million of British Airways' business in the first 12 months of launching the new luxury product.



Andy Woodward, California Tourism's UK Account Director at McClusky & Associates, accepts the award for the Best UK Tourist Office promoting a U.S. destination. As voted by UK travel agents, the annual award is given by Selling Long Haul magazine.

The long, hot English summer helped boost the UK domestic tourism market. Travel pages were filled with features like "why go abroad when it's so good here?" This new "love of country," along with overseas reports of huge wild fires, vandalism in the Mediterranean resorts, a strong Euro, and overall concerns about security, led to a substantial decline in the UK market taking overseas holidays, both long and short haul.

Public relations representative Phil Bloomfield reports that from June through August, First Public Relations handled 86 California-related contacts, with total publicity value topping \$2 million. The coverage included the third and final *Wish You Were Here* film, which aired in July with an audience of over five million viewers. July also saw the repeat broadcasts of the GMTV "Pre-Oscars" road trip, five 5-minute films that aired to a daily audience of approximately two million viewers.

First Public Relations is currently finalizing several individual press trips to various California locations. They will also be liaising with California Tourism's UK travel trade office regarding public relations opportunities at this year's World Travel Market. ★

Join California and *Pitch Your Story* to New York Press!

Attention all California destinations, attractions, retailers and hotels! California Tourism will host the 10th annual California media event in New York City on February 24, 2004. Themed around the well-established "California, Find Yourself Here" campaign, the event will include a reception and marketplace where

California delegates can meet one-on-one with VIP press to pitch story ideas and make valuable editorial contacts. More than 100 key New York-based consumer and travel trade press are expected to attend.

Registration for the media event is \$1,500 per delegate, a reduction

from 2002 prices, and includes: two nights accommodation at The Regent Wall Street hotel, participation in the California reception and marketplace, and an up-to-date New York area media list. Airfare is not included.

The registration deadline is December 5, 2003. For further information, please contact Leona Reed, CTTC Communications Coordinator, at (916) 444-6798 or lreed@cttc1.com, or Jennifer Jasper, CTTC Deputy Director, at (916) 447-0981 or jjasper@cttc1.com. ★



California Tourism By The Numbers

During the summer travel season, California Tourism staff was busy responding to an increase of 2,000 phone calls and 200 e-mails compared to the previous quarter. The number of tourism information packets mailed out internationally also increased from the last quarter. Numbers below highlight program activities from June through August 2003.

Calls to toll free telephone number 12,205
Packets ordered on Web site 22,387

Packets sent from fulfillment house:
Domestic 42,321
Canadian 1,800
International 4,273
Trade 665
Student 1,445

Informational calls to California Tourism 1,420

Packets sent from California Tourism 118

E-mails to California Tourism 1,740

Assessment calls 538

International contacts
Australia (Consumer & Trade) 185
Brazil (Consumer & Trade) 1,197
Germany (Consumer & Trade) 1,530
Japan (Consumer & Trade) 732
UK (Consumer & Trade) 711
Division of Tourism (Trade) 1,689

Research
Contacts 41
Reports mailed 30

Media Relations inquiries
California Tourism office 310
All overseas offices 860
Press room of Web site – visitation 5,311

California Welcome Centers (contacts)*
CWC, Anderson 15,572
CWC, Arcata 8,051
CWC, Auburn 10,584
CWC, Barstow 24,970
CWC, Los Angeles 5,524
CWC, Merced 17,593
CWC, Oceanside 39,588
CWC, San Francisco 158,323
CWC, Santa Ana 20,890
CWC, Santa Rosa 11,046**
CWC, Yucca Valley 3,865

* California Welcome Center contacts are compiled primarily from walk-in visitors, but also include phone calls, e-mails, mail and faxes.

** As the California Welcome Center in Santa Rosa opened on July 1, the number of visitors and contacts above reflects July through August.



California Tourism and the California Department of Transportation (CalTrans) have teamed up to create the *California Welcome Centers and Safety Roadside Rest Areas* brochure. This

New Visitor Brochure Features California Welcome Centers

handy, 10-panel brochure pinpoints the location of the 11 California Welcome Centers (CWCs), the state's official visitor centers that provide travelers with valuable trip information, including an array of options for activities, events, transportation, excursions, hotels and restaurants. The brochure also includes information on California's 88 Safety Roadside Rest

Areas, built by CalTrans for traveler safety and convenience.

Available for free at all CWCs, various CalTrans stations and numerous other distribution points throughout the state, this piece is sure to make traveling much easier! For more information on any of the statewide California Welcome Centers, please go to www.visitcwc.com. ★

La Cumbre 2003

California Tourism staff recently attended La Cumbre, the premier travel marketplace for U.S. destinations to attract business from Latin American markets. The event took place in Miami from September 10-12. Staff conducted business appointments with more than 25 companies representing: Argentina, Brazil, Chile, Columbia, Ecuador, Guatemala, Honduras, Mexico, Panama, Peru, Spain and Uruguay. Other California delegates attending the show included Ski Lake Tahoe and the convention and visitors bureaus of Anaheim, San Diego, San Francisco and West Hollywood. ★

California Tourism Well Represented at Japan's SeeAmerica Week



Staff from Youth Planning Center, California Tourism's public relations firm in Japan, pitched California travel news at TIA's Media Workshop in Tokyo. Pictured left to right: Sayaka Numa and Kazushi Namiki meet with members of the media.

California Tourism staff and Japan-based contractors (Ko Ueno and Youth Planning Center staff) recently attended the Travel Industry Association of America's annual SeeAmerica Week in Japan. Components of the week included: the SeeAmerica Educational Seminar in Tokyo, where training presentations were given to more than 175 Japanese tour operators, travel agencies and media; and the SeeAmerica Media Marketplace in Osaka that allowed for one-on-one time with more than 100 key Japanese journalists in attendance. Staff also

attended the Japan Association of Travel Agencies (JATA) Congress and Trade Show in Yokohama, providing exposure to more than 91,000 trade and consumers from the greater Yokohama/Tokyo area. Approximately 3,000 sets of printed materials featuring all California destinations and attractions were distributed. California Tourism staff also conducted meetings with key wholesale tour operators and airline representatives to discuss the current travel environment and propose marketing activities to address the changing travel patterns in the Japanese market. ★



Gold Service ELITE Award Goes to San Diego CVB

Meetings & Conventions magazine has named the San Diego Convention and Visitors Bureau one of its Gold Service ELITE Award winners for 2003. The ELITE Award honors the nation's top five convention and visitors bureaus for their professionalism and dedication in serving meeting professionals. An additional 79 convention and visitors bureaus across the country received Gold Service distinction. Each year, *Meetings & Conventions* magazine polls its 70,000 subscribers from around the world to vote for their favorites. ★



Palm Springs Aerial Tramway

Palm Springs Aerial Tramway Celebrates 40th Year

Wishing there was an easy way to reach the snow-covered San Jacinto Mountains, Francis Crocker realized his dream on September 14, 1963, when the first public tramcar departed from the Valley Station. Forty years later, the Palm Springs Aerial Tramway has taken over 13 million visitors to the top. From September 12-14, the Palm Springs Aerial Tramway celebrated its 40th anniversary with discounted tickets, refreshments at the Valley Station and anniversary cake at the Top of the Tram Restaurant. ★



to benefit the research and conservation of the endangered Peninsular bighorn sheep. For more information on Path of the Bighorn®, visit www.pathofthebighorn.com. ★

Tourism Helps To Protect Endangered Species

Focused on endangered Peninsular bighorn sheep, Path of the Bighorn® is a public art project launched in February 2003. The exhibit features over 80 painted, life-size sculptures of sheep placed in locations throughout the Palm Springs Desert Resorts communities for public viewing. The goal of the project is to increase public awareness of this endangered species through the language of art and the exhibit's promotion as a tourist attraction. Many of the sculptures were created by celebrity artists, including Cher, Anjelica Huston, Chevy Chase, Phyllis Diller and Stefanie Powers. The exhibit will run through spring 2004, at which time the sculptures will be auctioned off

Highway 1 in San Luis Obispo County Declared an "All American Road"

In August, a 57-mile stretch of Highway 1 was officially designated an "All-American Road" by the U.S. Secretary of Transportation and the Federal Highways Administration's National Scenic Byways Program. This scenic stretch of Highway 1 is one of only 23 routes nationwide to achieve such a designation. The two other "All American Roads" in California are: the Big Sur Coast Highway 1 from Carmel to the Monterey/San Luis Obispo county line; and the Volcanic Legacy Scenic Byway that stretches from Mt. Lassen in California to Crater Lake in Oregon. "All-American Roads" represent the country's most scenic traveling routes – they have features that exist nowhere else and are considered "destinations unto themselves." ★



Carrie Head

San Luis Obispo representatives holding the new "All American Road" banner include (fourth from left): Shirley Bianchi, Lois Capps, Peg Pinard, Harry Ovitt and Katcho Achadjian.

Villa Toscana Awarded Five Stars

Villa Toscana, the elite Tuscan-style inn located at the Martin Weyrich Winery in Paso Robles, has been awarded the prestigious International Five Star Diamond Award by the American Academy of Hospitality Sciences. The eight-room inn spans 28,000 square feet, features finely adorned suites and is modeled after an Italian estate. Villa Toscana is the first property in San Luis Obispo County



Villa Toscana

to be presented with the International Five Star Diamond Award, an honor which is typically given to properties in larger urban areas. ★

Santa Cruz Voted #1 College Town in North America

Outside magazine has just named Santa Cruz as their #1 Best College Town in North America. Santa Cruz beat out hundreds of other cities to be named the #1 place to live, learn, work and play. The publication surveyed hundreds of colleges, enlisting a crew of undergraduate reporters, to come up with a list of the top 40 schools

in North America that turn out top-notch graduates with academic credentials, healthy environment ethics and a sense of adventure. The city's beautiful beaches, great surf, redwood forests, coastal mountains and Mediterranean climate are some of the reasons the magazine cites as incentives to students. ★

Clips from California Tourism's 30-second "Welcome to California" TV spot...



Clint Eastwood golfing on a beautiful day at Pebble Beach, "We swing"...



Wolfgang Puck preparing dinner at one of his California restaurants, "We inspire"...



Jack Nicholson in his favorite seat at an L.A. Laker game, "Because all work and no play makes Jack a dull boy!"

New Study Evaluates California Tourism's Spring 2003 Advertising Campaign



The San Diego ad, featuring the California coastline, was one of three print executions for the 2003 campaign.

Defining Moment:

Incremental travel is the level of travel determined to have been generated or influenced by marketing activities *that would not have occurred otherwise*, and is used as a benchmark in studies to measure the return-on-investment (ROI) from destination marketing expenditures.

This year California Tourism instituted a new process to measure the effectiveness of its \$4.1 million spring 2003 advertising campaign – comprised of \$2.6 million in television and \$1.5 million in print advertising. The study was developed by Strategic Marketing & Research, Inc. (SMARI), an independent research firm with expertise in advertising tracking and image research,¹ and utilizes a blended methodology that combines both Internet and telephone surveys. Due to the nature of testing advertising, where visitors must first see the ads and then may travel at a later date, the research involves **two phases**. Phase one involved recruiting participants, asking them to view the actual advertisements, indicate their recall of the advertising, and then evaluate the ads. Phase two will follow-up with the same participants in early 2004 to determine if the advertising did in fact motivate them to travel to California.

Results are in from this **first phase** of surveys that total 1,609 households. The objectives of phase one include the following:²

- Determine the level of advertising recall for California's advertising campaign among its target audiences;
- Compare the level of awareness to key destination competitors

to determine if California has a sufficient "share of voice;"

- Assess consumer reactions to both the ads of California and those of key competitors, and explore whether the ads communicate the "California attitude" to consumers;
- Measure changes in California's imagery as they relate to the advertising campaign;
- Determine whether the advertising heightened consumer interest in visiting California;
- Examine the differences in impact within California's three groups of target markets; and
- Provide recommendations for refining the State's advertising efforts.

SMARI designed the study to evaluate each step of the traveler's decision-making process, starting with whether a potential visitor is influenced to travel to California and actually comes, and then generates measurable trip expenditures. To be effective, "the advertising has to reach the intended audience, communicate a compelling message, influence the attitudes of the audience about California as a travel destination, build interest in visitation and, finally, convince consumers to travel." Different types of criteria are used to measure each of the steps as indicated by the following chart.

Influence Process	Measure
Reach	→ Advertising Awareness
Message Evaluation	→ Creative
Influence Attitudes	→ Comparative Image Assessments
Build Interest	→ Comparative Interest in Visitation
Generate Travel	→ Incremental Travel

continued on page 12

¹ Strategic Marketing & Research, Inc. is an Indiana market research firm, established in 1983, with particular expertise in advertising testing, effectiveness evaluation, fulfillment conversion studies, image and positioning research, and visitor segmentation studies. Overseeing the research for California Tourism is Denise Miller, the head of the SMARI's Tourism Division. Denise previously was the director of two convention and visitors bureaus and served for three years as Indiana's State Travel Director.

² *Advertising Effectiveness Research Findings*, Strategic Marketing & Research, Inc., August 2003.

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The recently completed surveys that represent the first phase of the study address the first four steps in the process. Those agreeing to be surveyed actually viewed the ads on videotape or online. The videotape viewers were then re-contacted and asked a series of questions about what they remembered and thought about the ads, their attitudes about California and our competitors, and their interest in visiting. The Internet respondents were drawn from a panel of pre-screened participants who were given a link to an online survey and viewed the ads in streaming video and still pictures. The questions posed to these Internet participants were the same.

It is important to recognize that with the field of online survey research still in its infancy, one of the most frequently raised concerns is that Internet users are not representative of the general public, and that samples drawn from this group are not necessarily comparable to other survey groups. Thus, as a precaution, SMARI analyzed the results from the telephone and Web surveys to identify potential differences resulting from the two methodologies – however, “no significant differences were noted in terms of the key measures for California.” Nevertheless, to eliminate potential bias, SMARI weighted the

data from each source so that responses from each methodology were equal in the final sample.

In keeping with the approach that has been used for the past ten years to measure the return-on-investment (ROI) to California – in terms of tax revenues that come back to the general fund, revenues that benefit local jurisdictions, and job-related impacts – the study will identify “*incremental travel impacts*” or in other words, the “*level of travel and expenditures that would not have occurred without the advertising.*”³ By comparing only the travel expenditures associated with the incremental travel that can be attributed to the advertising campaign, California Tourism avoids overstating the impact of its efforts. The final calculation of ROI will be done in the **second phase** of the study in early 2004, when respondents are re-

contacted to find out what proportion did indeed travel to California.

The following results are highlights from the **first phase** of the SMARI study, dated August 2003.

- California already has a strong, positive image in its target markets. Consumers see California as fun, scenic, diverse and as a place with lots to see and do. Currently, they are more aware of California’s tourism product than its attitude.
- The spring 2003 campaign reached a large percentage of the target audience, with 64 percent recalling the television ad, 16 percent recalling at least one print ad, and 68 percent recalling either television or print. This level of reach was considerably higher than that for any of the competitors measured. California had a strong share of voice within its key geographic markets.

- For the spring 2003 campaign, television was responsible for the wide reach and print played a supportive role. An analysis of the comparative expenditures and reach indicates that California generally deployed its resources more effectively than its competitors in generating advertising awareness.
- People who had seen the advertising campaign were more likely to indicate that they were planning to travel to California. This suggests that the ads influenced attitudes and will result in incremental travel gains for California.

For a full copy of the first phase of this study, please contact Tiffany Urness, California Tourism’s Research Manager, at (916) 327-3391 or turness@commerce.ca.gov. ★

³ Advertising Effectiveness Research Findings, Strategic Marketing & Research, Inc., August 2003.

Fall 2003 to Spring 2004 Travel Forecast

While there are signs that U.S. travel as a whole will begin to benefit from an improved economy and decrease of visitor fear factors in 2004, California’s recovery will be slower. According to D.K. Shifflet & Associates’ seasonal forecast,¹ total

travel to and through California in spring 2004 will still be 1.5 percent below spring 2003, which was 5.8 percent below spring 2002. Slight but steady gains from out-of-state residents have not been able to offset the continued weakness of the in-state

market. Similarly, business travel has been picking up, but not enough to compensate for leisure declines.

¹ California, Spring 2003 – Spring 2004 Topline Projections, D.K. Shifflet & Associates, August 22, 2003.

Did You Know?

Headed to somewhere in California is approximately one out of every three domestic flights from Seattle, Portland and Las Vegas, and one out of every ten flights from New York, Chicago and Dallas.

Source: U.S. Domestic Air Arrivals to California Destinations, 1990-2001, CIC Research, Inc.

	Fall** 2003F	Fall 02F/03F % Chg.	Winter** 2004F	Winter 03F/04F % Chg.	Spring** 2004F	Spring 03F/04F % Chg.
Total Travel to and Through CA	61.2	-2.4%	71.8	-1.5%	72.6	-1.5%
Business	18.2	-2.5%	19.1	-2.1%	21.0	-2.7%
Leisure	43.0	-2.4%	52.7	-1.2%	51.5	-1.0%
Residents	51.7	-3.0%	61.7	-1.9%	60.2	-2.0%
Non-Residents	9.5	0.9%	10.0	1.3%	12.4	0.8%
Average Expenditures* (ppd)	\$96.4	9.0%	\$88.7	8.9%	\$100.1	9.1%
Total Overnight Travel to and through CA	28.5	-1.0%	30.0	0.6%	33.0	0.5%
Business	9.7	4.1%	8.6	6.6%	10.7	4.6%
Leisure	18.8	-3.4%	21.4	-1.6%	22.3	-1.4%
Residents	20.5	-0.9%	22.4	0.7%	22.6	0.4%
Non-Residents	8.0	-1.4%	7.5	0.2%	10.4	0.7%
Length of Stay (days)	3.5	0.5%	3.7	0.4%	3.6	0.6%
Average Expenditures* (ppd)	\$98.3	7.9%	\$90.0	6.8%	\$95.2	3.2%

F = forecast

All volume figures are in millions of person-trips. Expenditures are per person per day (ppd).

* Excludes transportation expenditures.

** Fall = September, October, November; Winter = December, January, February; Spring = March, April, May

This seasonal forecast from D.K. Shifflet & Associates reflects their enhanced seasonal forecasting method. The method, which is based on the ARIMA (Box-Jenkins) forecasting method, utilizes seasonal data from the past four years to advance the forecasting period through the present season and well into the future.



Research Round-up

Research

Travel Industry Association of America

Asia-Pacific Travel Demand: Trends and Insights, 2003 Edition

Outbound travel from the Asia-Pacific region has more than tripled in the past decade and set an all-time high in 2002. The forecast for 2003 shows an estimated decline of 28 percent, largely due to the outbreak of SARS in the first half of 2003. Travel from

Asia should recover in 2004 when outbound travel is predicted to increase 15.1 percent over 2003.

The 2003 edition profiles: trends; trip and traveler characteristics; and current geo-political, social and economic conditions in Japan, Korea, China, India, Hong Kong, Taiwan and Australia. Cost is \$300 for members and \$495 for non-members.

Cultural and Heritage Travelers, 2003 Edition

One in five of all domestic person-trips included at least one cultural, arts, historic/heritage activity or event in 2002. The study looks at activities, motivations, trip and traveler characteristics. Cost is \$135 for members and \$225 for non-members.

For further information, contact:
Travel Industry Association of America
1100 New York, NW, Suite 450
Washington, DC 20005-3934
Web site: www.tiaa.org
Tel: (202) 408-8422
Fax: (202) 408-1255

International Council of Cruise Lines

The Cruise Industry: 2002 Economic Study

Cruise passenger embarkations at U.S. ports increased by 10.2 percent, with 6.5 million embarkations during 2002. This accounted for 71 percent of global embarkations. Florida handled the most U.S. embarkations, with 4.4 million cruisers. California, a distant second at 705,000 embarkations, experienced slightly under 10 percent growth. Cruise lines contributed \$1.1 billion to California's economy through direct purchases, which in turn, supported 40,300 jobs paying over \$1.7 billion in wage income.

An executive summary and the full report may be downloaded at www.iccl.org/resources. To request the two-page press release on cruise industry impacts in California (dated August 28, 2003), contact the International Council of Cruise Lines at (800) 595-9338 or info@iccl.org.

Tour Operators' Initiative

A Practical Guide to Good Practice: Managing Environmental and Social Issues in the Accommodations Sector

A global network of 25 tour operators recently began disseminating a new guide to over 25,000 contracted accommodations in an effort to influence hotel companies worldwide to integrate key environmental and social practices into their operations. The initiative is supported by the United Nations Environment Program, UNESCO and the World Tourism Organization.

To order the guide, go to www.toinitiative.org.

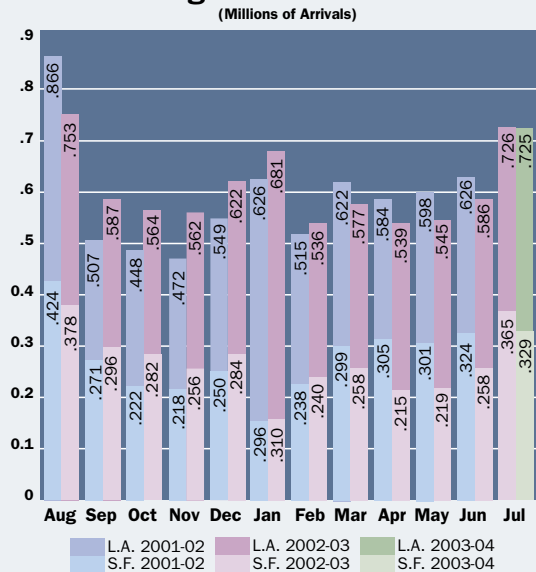
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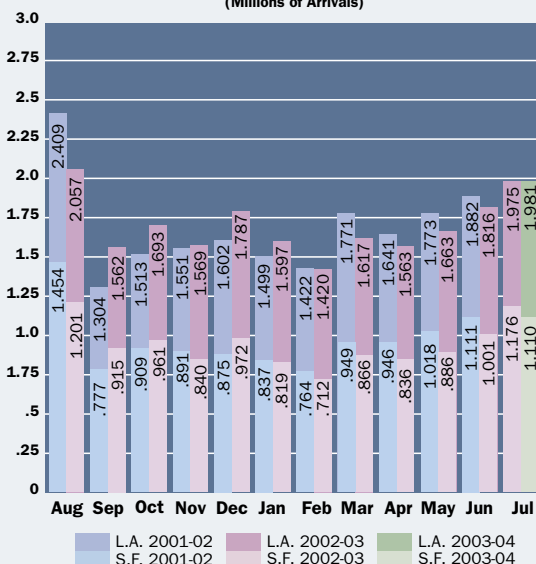
Airport Arrivals

Sources: City of Los Angeles Dept. of Airports; SFO Bureau of Communications; San Diego Unified Port District Airport Operations Dept.; Oakland Airport Finance Office; Airport Finance and Administration, City of San Jose.

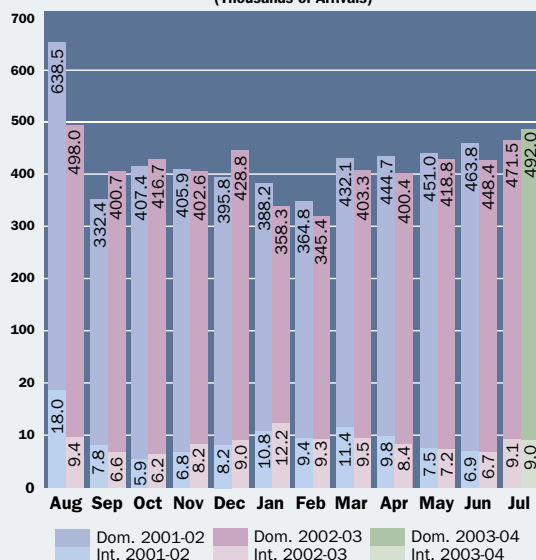
International Air Arrivals Los Angeles - San Francisco



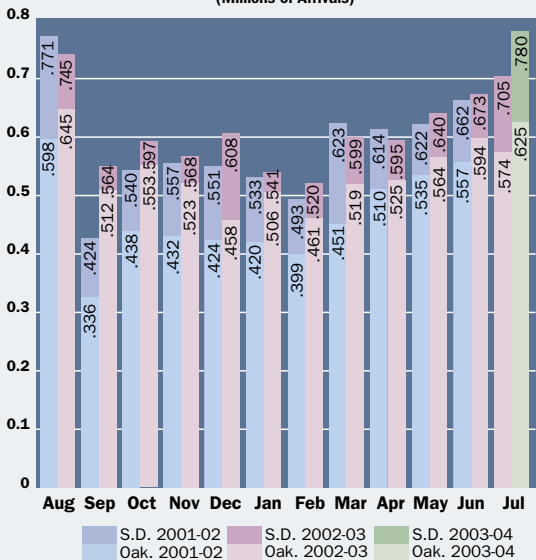
Domestic Air Arrivals Los Angeles - San Francisco



Domestic/International Air Arrivals San Jose



Domestic Air Arrivals San Diego - Oakland



Research Roundup

continued from page 13

American Demographics

Street Wiser, an article by John McManus in the July/August 2003 issue, profiles the latest round of geo-demographic segmentation products from five of the dominant firms in the field: Personicx (Acxiom), PRIZM (Claritas), Community (ESRI), MOSAIC (Experian/Applied Geographic Solutions), and PSYTE U.S. (MapInfo). Pinpoint marketing solutions reflect Census 2000's dramatic data shifts, and home in closer than ever on consumer behavior.

To order the article, contact: PRIMEDIA

261 Madison Ave., 9th floor
New York, NY 10016

Web site: www.demographics.com
Tel: (212) 716-8585
Fax: (212) 716-8472

Menlo Consulting

TravelStyles UK and
TravelStyles Canada

Scheduled for 2004, these studies will document the attitudes, interests, and travel patterns of British and Canadian international travelers, and

update information from previous *TravelStyles* studies in both countries.

For further information, contact:
Menlo Consulting Group, Inc.

P.O. Box 51958
Palo Alto, CA 94303
Web site: www.menloconsulting.com
Tel: (650) 941-4458
Fax: (650) 941-8718

Paramount Market Publishing

Four new reports are available:
After Fifty: How the Baby Boom Will Redefine the Mature Market

The American Marketplace: Demographics and Spending Patterns

Multicultural Marketing: Selling to the New America

Defining Markets, Defining Moments: America's 7 Generational Cohorts, Their Shared Experiences, and Why Businesses Should Care

To order one of these reports, contact: Paramount Market Publishing, Inc.
301 South Geneva St., Suite 109
Ithica, NY 14850
Web site: www.paramountbooks.com

Four New Reports Available from California Tourism

Domestic Travel Report Year End 2002 contains definitive data on California market share, leisure and business travel, resident and non-resident travel, trip expenditures, and traveler demographics for 1999-2002. Prepared for California Tourism by D.K. Shifflet & Associates.

2002 Market Profile of Overseas Visitors to California provides detailed trip and traveler characteristics for Japan, Taiwan, South Korea, UK, Germany, Italy, France, South America and

Australia/New Zealand. Prepared for California Tourism by CIC Research, Inc., July 2003.

U.S. Domestic Air Arrivals to California Destinations is a compilation of arrival counts at 10 California airports originating from top out-of-state markets and from within California. Prepared for California Tourism by CIC Research, Inc., July 2003.

The Economic Significance of the California Travel Industry compares

travel and tourism with other industries in terms of gross state product and other significant indicators. Prepared for California Tourism by Dean Runyan Associates, July 2003. Cost for each report is \$1 for shipping & handling.

To order, contact: California Tourism
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U.S. and California Travel Volume

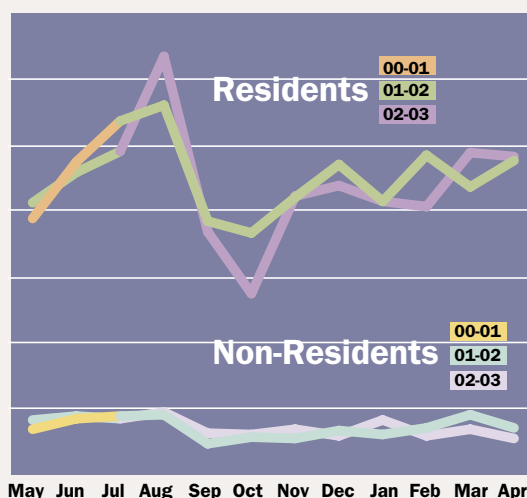
Total domestic travel to and through California during the first four months of 2003 fell 2.1 percent, while the nation as a whole recorded a 6.5 percent increase over 2002. This was California's second quarter of decline, following three consecutive quarters of growth in 2002. Although travel by out-of-state residents was up in January by an impressive 40 percent, all gains ceased in February, and by March, when the war in Iraq began, non-resident travel had plummeted almost 24 percent. California travelers, who tend to outnumber out-of-state visitors by about six-to-one overall or three-to-one in terms of overnight stays, slumped sharply in February, rallied in March, and finished the first four months almost even with 2002.

(Millions of Person Trips)									
	Jan-03	% Change (02/03)	Feb-03	% Change (02/03)	Mar-03	% Change (02/03)	April-03	% Change (02/03)	YTD
Total U.S. Travel	205.14	10.5%	206.07	4.5%	223.33	5.8%	223.00	5.4%	6.5%
Business	59.68	1.7%	65.07	6.4%	67.22	19.0%	65.14	-8.0%	4.1%
Leisure	145.47	14.6%	141.00	3.7%	156.11	1.0%	158.08	12.2%	7.6%
Total Travel to and through CA	24.79	5.1%	23.21	-16.1%	27.75	5.9%	26.86	-1.7%	-2.1%
Business	7.07	-17.9%	6.67	-7.4%	8.26	11.5%	6.85	-24.2%	-10.6%
Leisure	17.73	18.2%	16.54	-19.2%	19.48	3.7%	20.01	9.5%	1.7%
Residents	20.68	0.1%	20.31	-16.1%	24.36	12.0%	24.14	1.3%	-1.0%
Non-Residents	4.11	39.6%	2.90	-16.2%	3.39	-23.8%	2.72	-22.0%	-8.5%
Avg. Expenditure (w/o Trans.) ppd	83.85	-4.1%	79.37	5.5%	76.87	-11.8%	84.88	-1.7%	-3.4%
Avg. Length of Stay (days)	1.86	2.7%	1.87	4.2%	1.84	-10.4%	1.75	-8.9%	-3.6%
Total Overnight Travel to and through CA	9.71	6.5%	9.73	-2.0%	11.29	-3.4%	9.29	-12.9%	-3.3%
Business	3.09	4.7%	2.97	-5.4%	2.79	-8.6%	1.77	-43.0%	-13.3%
Leisure	6.62	7.3%	6.77	-0.4%	8.51	-1.6%	7.51	-0.5%	0.8%
Residents	7.44	10.1%	7.08	-2.3%	8.15	6.6%	7.06	-8.1%	1.4%
Non-Residents	2.27	-3.9%	2.65	-1.2%	3.15	-22.4%	2.22	-25.3%	-14.8%
Avg. Overnight Expenditure (w/o Trans.) ppd	90.66	-4.9%	79.23	3.1%	81.69	-10.4%	79.68	-6.7%	-4.9%
Avg. Overnight Length of Stay (days)	3.56	2.0%	3.39	-7.0%	3.40	-7.0%	3.63	-3.7%	-4.3%

Source: D.K. Shifflet & Associates

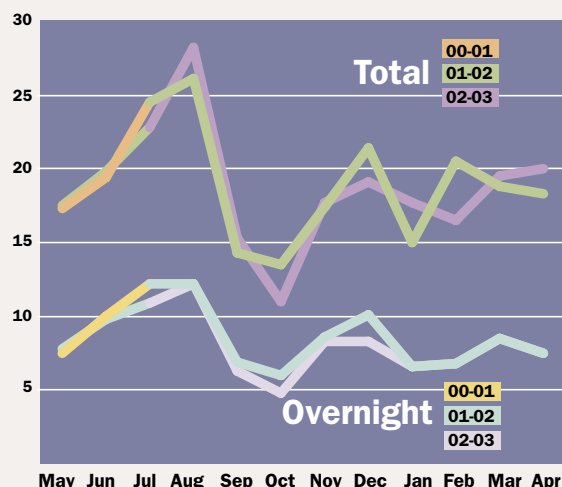
Domestic Travel To And Through California

(Millions of Person Trips)



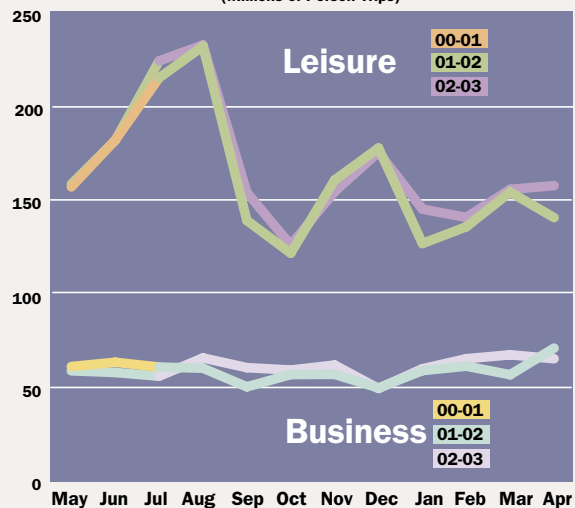
Domestic Leisure Travel To And Through California

(Millions of Person Trips)



Domestic Travel To And Through the U.S.

(Millions of Person Trips)



Source: D.K. Shifflet & Associates



Lodging Report

Location	Month of July		July Year to Date	
	Occupancy	Avg. Room Rate	Occupancy	Avg. Room Rate
	(% change 02/03)		(% change 02/03)	
United States	2.4%	0.3%	-1.2%	-0.6%
Pacific	2.5%	0.3%	-0.9%	-0.6%
California	2.7%	0.0%	-1.4%	-1.5%
California North	-1.9%	1.9%	-5.8%	2.0%
California North Area	-2.7%	1.3%	-3.4%	1.8%
California North/Central	0.6%	1.4%	3.7%	2.3%
California South/Central	0.9%	1.7%	1.2%	2.4%
Anaheim-Santa Ana	5.1%	1.6%	0.9%	-0.7%
Bakersfield	-6.3%	3.0%	-0.7%	2.0%
Eureka/Crescent City	-5.5%	9.5%	-1.1%	4.4%
Fresno	7.6%	3.0%	5.5%	4.0%
Inyo/Kings/Tulare	2.0%	-2.8%	-3.3%	0.5%
Los Angeles-Long Beach	4.4%	-0.6%	0.6%	-1.6%
Oakland	-9.0%	-5.4%	-10.1%	-4.9%
Central Coast	0.6%	2.6%	-4.2%	1.6%
Redding/Chico	-6.6%	3.1%	-5.3%	1.7%
Riverside-San Bernardino	-0.8%	1.4%	0.0%	-0.4%
Sacramento	8.7%	-1.7%	-2.5%	-0.2%
San Diego	5.8%	2.4%	0.1%	2.5%
San Francisco/San Mateo	6.2%	-3.1%	-0.2%	-6.7%
San Jose-Santa Cruz	-1.8%	-9.0%	-8.1%	-9.5%
Santa Rosa-Petaluma	-1.8%	6.6%	-8.6%	3.1%
Stockton Area	1.5%	3.5%	3.6%	2.4%
Vallejo-Fairfield-Napa	3.2%	-4.5%	-9.2%	1.6%

California Welcome Centers (CWC)

(% change in number of visitors)

	Aug-03	Aug-02	% chg.	YTD '03	YTD '02	% chg.
CWC, Anderson	3,459	4,849	-28.7%	22,152	25,991	-14.8%
CWC, Arcata	2,231	2,740	-18.6%	10,902	12,116	-10.0%
CWC, Auburn*	1,898	n/a	n/a	6,806	n/a	n/a
CWC, Barstow	9,288	10,382	-10.5%	63,195	54,934	15.0%
CWC, Los Angeles	1,565	7,544	-79.3%	13,878	39,946	-65.3%
CWC, Merced	5,069	6,464	-21.6%	32,818	25,770	27.3%
CWC, Oceanside	11,576	8,885	30.3%	54,110	51,332	5.4%
CWC, PIER 39	54,524	47,456	14.9%	276,978	252,526	9.7%
CWC, Santa Ana	7,305	5,889	24.0%	45,975	26,060	76.4%
CWC, Santa Rosa**	5,473	n/a	n/a	10,188	n/a	n/a
CWC, Yucca Valley	1,063	585	81.7%	13,519	6,183	118.6%

* = opened September 2002 ** = opened July 2003

Sources: CWC, Anderson; CWC, Arcata; CWC, Auburn; CWC, Barstow; CWC, Los Angeles; CWC, Merced; CWC, Oceanside; CWC, PIER 39; CWC, Santa Ana; CWC, Santa Rosa; CWC, Yucca Valley.

Travel Statistics Q&A

Q: What organization reported its highest monthly travel volume in 32 years?

A: Amtrak

Source: Travel Industry Association of America, July 2003 Industry Performance Indicators.

Got a name or address change?

Just fax any changes to us at (916) 444-0410. Please include a copy of your current mailing label with any necessary corrections.



Travel Trade Calendar

November 2003

8-15	World Travel Market (WTM)	London, England
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December 2003

8-11	International Golf Tour Operator Association	Dominican Republic
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January 2004

19-24	California/Las Vegas/Arizona Sales Mission	Mexico City, Guadalajara
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February 2004

24	California Media Reception and Marketplace	New York City, New York
24-26	CONFEX	London, England

March 2004

12-16	International Tourism Exchange Boerse (ITB)	Berlin, Germany
22-24	California Conference on Tourism	Monterey, California

INSIGHTS

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Governor-Elect

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Lon Hatamiya, Secretary
Chair, California Travel and
Tourism Commission

Division of Tourism/California Travel
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